

Open Report on behalf of Heather Sandy, Executive Director of Children's Services

Report to:	Councillor Mrs P A Bradwell OBE, Executive Councillor for Children's Services, Community Safety, Procurement and Migration
Date:	7 - 17 May 2024
Subject:	Commissioning of the Education and Early Years Administration System
Decision Reference:	I032605
Key decision?	Yes

Summary:

The Council must re-commission its education and early years management system as the current contract expires on the 30th June 2024. This report recommends the procurement of the existing system, Synergy, under a compliant framework procedure.

Synergy is a suite of tools that support the Council's staff in carrying out statutory duties to ensure children of statutory school age are receiving education. The system supports services including admissions, free school meals (FSM), early years provision, children's centres and childcare services, children's attendance management, tracing CME (Children Missing Education) cases, to validate school census returns for maintained schools concerning FSM and exclusion/suspension data. The system operates well, and the market for such systems is niche and limited therefore the ongoing model is to keep and build on the success of the current system.

Recommendation(s):

That the Executive Councillor for Children's Services, Community Safety, Procurement and Migration:

1. Approves the re-commissioning of the Synergy education and early years administration system with the supplier Access Group, utilising the Yorkshire Purchasing Organisation (YPO) 1095 Software Application Solutions Framework Agreement via a direct award process, with the contract to commence 1st July 2024 for five years initially, with an option to extend for up to two years.

2. Delegates to the Executive Director of Children's Services, in consultation with the Executive Councillor for Children's Services, Community Safety, Procurement and Migration, authority to take all decisions necessary to conduct the procurement process up to and including the award and entering into of the final form contract arising from the procurement process.

Alternatives Considered:

As part of the market analysis, a range of other options have been considered to deliver the preferred solution, but all have been discounted. A summary of those include:

Do Nothing:

The Council would be out of contract with its existing Supplier and vulnerable to uncontrollable costs and system / security issues. The Council could also face legal challenges from other suppliers if it chose to continue to utilise the Synergy system and not undertake a procurement process compliant with the Public Contracts Regulations 2015. This option has been discounted.

Open Market Tender

The market for such systems is limited and is characterised by a very small number of suppliers that have grown through acquisition of smaller suppliers to deliver an integrated suite of software modules. In comparison to utilising a framework, a bespoke tender exercise would incur significant cost, time and resourcing. Further, the Council would need to devise and publish contractual terms and conditions, which in the IT sector frequently proves problematic and difficult for suppliers to agree to, whereas through an established framework, providers have already agreed to an overarching Framework Agreement and call off contract terms and conditions. The suppliers are also available on frameworks therefore this route is not appropriate. This option has been discounted.

CCS RM1557.13 framework, G-Cloud13

G-Cloud is often a useful route for such systems but on this occasion G-Cloud13 is not suitable for the Council's purposes and does not meet all our requirements. The contract period is not sufficient. This option has been discounted.

CCS RM6259 Vertical Application Solutions (VAS)

Following a desktop evaluation in line with the framework process, there is no viable solution that meets the Council's requirements. This option is therefore discounted.

Software Reseller

The incumbent arrangement with Access Group is via Serco, so it can be anticipated that the Supplier would be amenable to continuing with an arrangement involving an intermediary. LCC has access to a reseller agreement, and there are several reseller-based frameworks, that could facilitate an intermediary / partner organisation to engage with a chosen software vendor.

Consulting with the LCC software reseller, Phoenix, it was noted that the relevant suppliers in the market sell direct via frameworks, additionally was not possible to

identify any selling partnerships. Phoenix confirmed that any contract involving themselves will likely be purely on a transactional basis, and speculated that given the niche sector, that suppliers are highly unlikely to offer a significant discount via a reseller. Further such arrangements would also be subject to a reseller markup, hence more expensive. This option has been discounted.

LCC Direct Award / Novation from Serco

Although this would allow for continuation of the existing service, given that the anticipated value of the contract is significantly more than the regulatory threshold, this option presents a high risk of procurement legal challenge. Further this would entail contracting on supplier's terms which could only be considered with Legal advice, nor does this process test the market and therefore cannot demonstrate this as the most advantageous solution for the Council. This option has been discounted.

Reasons for Recommendation:

It is recommended to re-commission the Synergy education and early years administration system with the Access Group, awarding a new contract using the Yorkshire Purchasing Organisation (YPO) 1095 Software Application Solutions Framework Agreement via the Framework's compliant direct award process. The contract to commence 1st July 2024 for five years initially, with an option to extend for up to two years.

The YPO Framework has a set direct award procedure process to determine which supplier can demonstrably provide the most economically advantageous solution, based on quality and/or price.

This Framework includes four suppliers, of which only Access Group and SystemC provide software that match the Council's requirements.

Further assessment has resulted in Access Group being determined as the preferred supplier on the basis of cost, functionality, services and technical characteristics. The information was cross referenced against other information published by the relevant suppliers.

The YPO 1095 Software Application Solutions Framework presents a slight lower management charge to suppliers of 0.75% in comparison to other CCS frameworks.

The Contract will be based upon YPO standard contract terms; all suppliers on the Framework have agreed to standard Call-Off contract terms awarded under the Framework Agreement. The YPO standard Call-Off contract terms do permit a level of bespoke amendment be inserted into the Order Form which LCC will look to do, upon advice from Legal Services.

Supplier terms are also incorporated within the Call-Off contract but are excluded to the extent that they vary or contradict the YPO standard contract terms. Legal Services are being consulted regarding the Supplier terms so to understand any residual risk (for example: application of Supplier terms to the extent that there are any gaps within the

YPO Call -Off Contract standard terms.

This Framework allows for a Call-Off contract term of any length, and it is proposed that a 5+2 contract term is sought which, not only provides LCC with a suitable length of time for return on the cost and overhead of implementation previously incurred, but also affords the flexibility to manage a future procurement exercise at contract expiry.

System Delivery Model

With the disaggregation of the Serco contract and the recommissioning of the IT services, LCC will enter a period of elevated workload over the next few years and, in that context, there is no compelling motive within the market to justify the resources involved in transitioning from an incumbent solution that works sufficiently well and is available to be sourced compliantly and for which there is assurance will continue to be supported and developed.

Significant investment, time and implementation overheads have been required to evolve the existing system to operational maturity, along with training and registration of large numbers of users, both within the Council and external organisations. A new system would need to deliver commensurate benefit, either financial or technical, to justify the overheads and risks involved in transitioning away from the incumbent solution.

Due to the critical public facing services supported by this system, the sensitive nature of data processed within the system and the risk of error during transfer, it's imperative that any new contract award must minimise operational service risk, cost of transition / implementation, and staff disruption.

Service Leads are confident the Supplier is committed to the support and further development of the product for the duration of the proposed contract term. The Access Group acquired Servelec in 2022 to expand its portfolio of systems and services, which indicates the Access Group will not be withdrawing from the market in the short term. The Access Group run quarterly sessions for their Synergy product which layout a short and long term (up to 5 years) product roadmap. Further, the Council is a significant customer of the Supplier and an active member of the user group for this software and would therefore be able to use this to exert influence over development and performance of the system.

1. Background

- 1.1. Synergy is the Council's education administration system, providing a suite of tools that support the Council in ensuring children of statutory school age are receiving education. The system supports services including admissions, free school meals, early years provision, children's centres and childcare services, Children's attendance management, tracing CME (Children Missing Education) cases, validating school census returns.
- 1.2. The Council is required to coordinate admissions to all state-funded schools on behalf of parents; in Lincolnshire this amounts to 16,500 – 18,500 applications

per year. In addition to this the Council coordinates mid-year admissions, which amounts to an additional 8,000 applications per year.

- 1.3. Free school meal eligibility checking is a service that schools pay for, income being part of the school funding formula, and as additional monies to schools as pupils with free school meal entitlement are also pupil premium entitled pupils.
- 1.4. Governor support is a function that the Council is required to fulfil for its maintained schools monitoring governing body constitution, and support notifications to over 1,500 school governors.
- 1.5. LCC's previous system supplier, Edica, announced their intention to cease trading as of 2016; LCC had rights to the system source code, and continued to operate with Serco support until a new system could be procured.
- 1.6. Serco procured contracts with Servelec (now Access Group) in 2018 to provide the Synergy system with associated cloud hosting support and maintenance services. This was initially for the Synergy Education System (Admissions, Free School Meals, Family Information Service and Early Years), and, the following year, the Synergy Case Management System (Children's Centres).
- 1.7. The contracts are between Serco and Access Group and are recharged to LCC.
- 1.8. The contract between Serco and Access Group expires at the end of June 2024.

Incumbent System

- 1.9. The Synergy system provides portal access to parents, schools and early years providers, supporting application process for school place and FSM, notification of admissions offers and FSM eligibility.
- 1.10. The system supports the following processes:
 - 1.10.1. School admissions applications, processing and placement offers.
 - 1.10.2. Batch uploads of data to update records; primarily used by the education modules to update large numbers of pupil records for school attendance and free school meal eligibility, and importing data extracted from school Management Information Systems to update pupil details.
 - 1.10.3. Recording of exclusions/suspensions of school children resident or educated in Lincolnshire.
 - 1.10.4. Free school meal application, eligibility testing and notifications.
 - 1.10.5. Administration of the governors' service and management of schools' governing bodies.
 - 1.10.6. Early years placement and funding processing, eligibility testing and processing monthly payments to childcare providers.
 - 1.10.7. Children's Centres registrations, attendance and activities.
 - 1.10.8. Case Management Module, manages personal details and data on individuals from various sources (Health Data, EYC data, Social Care, Walk in, etc.) and maintains a record of engagement, as well as capturing attendances and contacts information from case notes and phone calls. Children's Centres can use the system to record details of families and children using the service.

- 1.10.9. Reporting for all modules, covers FSM status, admissions and enrolment information, and exclusion and suspension entries.
- 1.11. Work is underway within the existing system to implement automated data integration with school management information systems, ensuring up to date information concerning pupil address and school enrolments which supports safeguarding and monitoring to ensure statutory school age children are receiving education. Without the system, schools must generate files manually and send them manually to LCC for processing.
- 1.12. The system has proven to be stable, and the majority of calls logged with the Supplier are for routine user account requests or as a result of network connectivity issues. When technical issues arise, the Supplier is quick to resolve, and the system and service meets the Council's requirements.
- 1.13. There is confidence the Supplier is committed to the support and further development of the product for the duration of the proposed contract term. The Council is a significant customer of the Supplier and an active member of the user group for this software and would be able to use this to exert influence over development and performance of the system.

Commissioning Approach

- 1.14. The marketplace for Local Authority education systems is extremely niche, dominated by a small number of suppliers, principal share being with Access Group and System C (formerly Liquid Logic). There is acquisition of smaller entrants to the market, incorporated into a suite of interconnected utilities.
- 1.15. The intention is to enter into a contract with Access Group for the existing Synergy platform as it both allows the Council to build upon its extensive time investment into the system, whilst also minimising disruption to staff, implementation costs and risk of transfer to an alternative system.
- 1.16. This would be achieved using a the YPO 1095 Software Application Solutions framework, Lot 11 Education Management and Learning Systems, which includes both the incumbent and main competitor. Under this framework, the Direct Award process allows call-off directly to a chosen supplier without conducting a further competitive process. The Council is required to carry out an assessment of the criteria set in the YPO framework documentation, to determine which supplier can demonstrably provide the most economically advantageous solution, based on quality and/or price.
- 1.17. The information available via the framework was assessed showing that Access Group was the preferred supplier on the basis of cost, functionality, services and technical characteristics. The information was cross referenced against other information published by the relevant suppliers.

Cost Comparison

- 1.18. Incumbent contract (figures are in £'000s)

	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7
Contract 1	373.6	98.5	98.5	98.5	98.5	98.5	N/A
Contract 2		104.3	41.4	41.4	41.4	41.4	N/A
Annual total	373.6	202.8	139.9	139.9	139.9	139.9	N/A
Cumulative	373.6	576.4	716.3	856.2	996.1	1136.0	N/A

1.18.1. All current costs were subject to a Serco additional markup of 9.38% for the education system (contract 1 above), and 5% markup for the case management system (contract 2 above).

1.19. New contract (figures are in £'000s)

	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6 (Opt)	Yr7 (Opt)
Annual total	163.2	163.2	163.2	163.2	163.2	171.3	179.9
Cumulative	163.2	326.4	489.6	652.8	816.0	987.3	1167.2

1.19.1. The Access Group proposal shows an indicative cost of £163.2k per annum for hosting, support and maintenance for the initial five years of contract. This is slightly higher than the current contract cost (as per 1.18), however this is due to the price of the incumbent contract being fixed for a period of several years, in the same way that the new contract is proposed to be.

1.19.2. The cost of the new contract remains within the budget envelope and would be fixed for the duration of the initial contract term.

1.20. Licensing

1.20.1. Portal access is unlimited.

1.20.2. For administrative users, additional licensing for RDS (Remote Desktop Services) is required. Current licensing is for 115 users of RDS. Increases are bought in batches of 10.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision-making process.

The Equality Act duty has been considered and there are not considered to be any adverse impacts on people with a protected characteristic from the proposal in this report. The system is used in monitoring the status of disadvantaged children and refugees, recording of school admissions and attendance, whilst also managing provision of eligibility for additional funding, early years provision and free school meals.

Joint Strategic Needs Assessment (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health and Wellbeing Strategy (JHWS) in coming to a decision.

The JSNA and JHWS have been considered and there are not considered to be any direct

impacts from the proposal. The proposal supports the Council in delivery of educational administrative services and provides key data to support a wider intelligence analysis, resulting in better focused needs assessments and service design.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

The Section 17 matters have been taken into account but there are not considered to be any direct implications arising out of this Report. Although the specific nature of the system itself is not of direct relevance to Crime and Disorder, the system works alongside other Council systems to support Safeguarding by provide source data when dealing with queries from Police, Probation Service, and National Crime Agency for the details of children at risk. Youth Offending use background information from School Census, Synergy and Mosaic for data such as school history and suspensions.

3. Conclusion

- 3.1. The Education Administration System is a critical tool to support staff, schools and parents, and delivering on the Council's obligations regards providing an education to the County's children.
- 3.2. The Council must ensure it has an effective software solution in place and, having been advanced over the past 6 years, the existing Synergy system is ready to meet current and future service delivery needs.
- 3.3. There is no compelling evidence to indicate that an alternative solution would deliver sufficient technical or commercial benefits to justify the risks, costs, resource and disruption inherent in transitioning from the incumbent services.
- 3.4. The Council has a mechanism to award a contract for the Synergy system through the YPO framework 1095 Software Application Solutions framework.

4. Legal Comments:

The proposal to procure the Education Administration System as detailed in this report is within the Council's powers and by virtue of The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended), is an executive function and within the remit of the Executive Councillor to consider and determine.

5. Resource Comments:

The recommendation set out within the report enables the Council to continue to fulfil its statutory duties in relation to education and early years administration, and the indicative cost is within available resources.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The decision will be considered by the Overview & Scrutiny Management Board on 25th April 2024 and the comments of the Committee will be reported to the Executive.

d) Risks and Impact Analysis

Awarding the contract using the YPO framework 1095 Software Application Solutions direct award process provides a level of mitigation of the risk of challenge.

Although the framework is not bespoke to the Council, the template call-off contract does allow for a level of adaption. Issues which the Council will be seeking to agree or obtain assurance about with the Supplier through the scope of the framework agreement include matters of liability, supplier terms, security, data processing, business continuity, disaster recovery and exit planning.

7. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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